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16 **UNITED STATES BANKRUPTCY COURT**

17 **DISTRICT OF NEVADA**

18 In re

19 CASH CLOUD, INC.,
20 dba COIN CLOUD,

21 Debtor.

22 Case No. BK-23-10423-mkn

23 Chapter 11

24 **STIPULATION (1) RESOLVING
25 ROCKITCOIN, LLC'S OBJECTION TO
26 AMENDED MOTION FOR ORDER:
27 (A) CONFIRMING AUCTION RESULTS;
28 (B) APPROVING THE SALE OF
CERTAIN OF DEBTORS ASSETS TO
HELLER CAPITAL GROUP, LLC, AND
GENESIS COIN, INC., FREE AND
CLEAR OF LIENS CLAIMS,
ENCUMBRANCES, AND OTHER
INTERESTS; (C) AUTHORIZING THE
ASSUMPTION AND ASSIGNMENT OF
CERTAIN OF THE DEBTOR'S
EXECUTORY CONTRACTS AND
UNEXPIRED LEASES RELATED
THERETO; AND (D) GRANTING
RELATED RELIEF; AND (2)
DISMISSING ADVERSARY
PROCEEDING CASE NO. 23-01105-MKN**

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1 Cash Cloud, Inc. dba Coin Cloud (“Debtor”), debtor and debtor in possession in the above-
2 captioned case (the “Chapter 11 Case”), by and through its counsel Fox Rothschild LLP, and
3 RockItCoin, LLC (“RockItCoin” and, together with the Debtor, the “Parties”), by and through its
4 counsel Fox Swibel Levin & Carroll, LLP and Ghandi Deeter Blackham, stipulate and agree as
5 follows (the “Stipulation”):

RECITALS

7 A. WHEREAS, on February 7, 2023, Debtor filed a voluntary petition under chapter 11
8 of title 11 of the United States Code in the United States Bankruptcy Court for the District of Nevada
9 (the “Court”), commencing the Chapter 11 Case;

10 B. WHEREAS, on April 27, 2023, the Court entered the *Order Establishing Bidding*
11 *Procedures and Related Deadlines* [ECF No. 483] (the “Bidding Procedures Order”);

12 C. WHEREAS, on May 26, 2023, Debtor filed the *Amended Notice of Designated*
13 *Stalking Horse Bidder* [ECF No. 605] and the Asset Purchase Agreement attached thereto as Exhibit
14 1 (the “Stalking Horse APA”). Pursuant to the Stalking Horse APA, if RockItCoin was not the
15 winning bidder at auction, Debtor agreed to pay to RockItCoin from sales proceeds (i) a break-up fee
16 in the amount of \$188,760.00, provided that such amount does not exceed 3% of the Cash Component
17 (as such term is defined in the Bidding Procedures Order) of RockItCoin’s purchase price (the “Break-
18 Up Fee”); and (ii) \$150,000.00 for reimbursement of expenses incurred in connection with the
19 Stalking Horse APA (the “Expense Reimbursement”). See Stalking Horse APA, Exhibit 1 § 9.2.
20 Additionally, Debtor agreed to release and return to RockItCoin its earnest money deposit in the
21 amount of \$629,200.00 (the “Deposit”);

22 D. WHEREAS, pursuant to the Stalking Horse APA, RockItCoin, the Debtor and Flagstar
23 Bank, N.A. (“Escrow Agent”) entered into that certain Escrow Deposit Agreement dated May 31,
24 2023 (the “Escrow Agreement”) and RockItCoin timely deposited the Deposit with the Escrow
25 Agent.

26 E. WHEREAS, on June 19, 2023, Debtor filed an *Amended Motion for Order: (A)*
27 *Confirming Auction Results; (B) Approving the Sale of Certain of Debtor's Assets to Heller Capital*
28 *Group, LLC, and Genesis Coin, Inc., Free and Clear of Liens Claims, Encumbrances, and Other*

1 *Interests; (C) Authorizing the Assumption and Assignment of Certain of the Debtor's Executory*
 2 *Contracts and Unexpired Leases Related Thereto; and (D) Granting Related Relief* [Docket No. 731]
 3 (the "Sale Motion");

4 F. Whereas, among other things, the Sale Motion seeks approval of sales to Heller
 5 Capital Group, LLC ("Heller Capital") and Genesis Coin, Inc. ("Genesis Coin") who were declared
 6 the winning bidders at the auction;

7 G. WHEREAS, closing(s) of the sales to Heller Capital and Genesis Coin are estimated
 8 to occur on July 21, 2023;

9 H. WHEREAS, on June 20, 2023, Debtor filed a Complaint against RockItCoin (the
 10 "Complaint") initiating Adversary Case No. 23-01105-mkn (the "Adversary Proceeding");

11 I. WHEREAS, RockItCoin denies any liability as a result of the allegations contained in
 12 the Complaint;

13 J. WHEREAS, on June 23, 2023, RockItCoin filed its *Objection* [ECF No. 754] (the
 14 "RockItCoin Objection") to the Sale Motion; and

15 K. WHEREAS the Parties desire to resolve the Adversary Proceeding and RockItCoin
 16 Objection.

17 NOW, THEREFORE, in consideration of the foregoing, the Parties agree as follows:

18 1. Debtor shall pay to RockItCoin, directly from its sale proceeds at any closing(s) of the
 19 sale(s) to Genesis Coin and Heller Capital: (a) the amount of the Break-Up Fee, reduced by \$2,700.00
 20 for costs associated with the filing of the Complaint, for a total Break-Up Fee amount of \$186,060.00;
 21 and (b) the Expense Reimbursement in the amount of \$150,000.00;

22 2. The Sale Order(s) approving the sales to Genesis Coin and Heller Capital (if entered)
 23 shall contain provisions authorizing and requiring the payments described in Paragraph 1 of this
 24 Stipulation;

25 3. In the event the sales to Genesis Coin and Heller Capital do not close, all parties
 26 reserve all rights, arguments and remedies as to Break-Up Fee and the Expense Reimbursement (e.g.
 27 RockItCoin reserves to assert an administrative claim in the amount of the Break-Up Fee and Expense

1 Reimbursement pursuant to the Stalking Horse APA and the Debtor and all other parties reserve all
 2 arguments/defenses to same);

3 4. Within five (5) business days of the entry of an Order approving this Stipulation, the
 4 Parties shall jointly instruct the Escrow Agent (as provided for in the Escrow Agreement) to release
 5 and return the Deposit and any other amounts held by Escrow Agent under the Escrow Agreement
 6 (e.g. interest) to RockItCoin;

7 5. RockItCoin agrees and affirms that from the date hereof it will have no direct contact
 8 (e.g. will not call, email, text, message, etc.) with any non-rejected Debtor host lease counterparty,
 9 until such time that an order rejecting any such contract is entered by the Court;

10 6. Debtor reserves all rights to pursue any and all legal and equitable remedies to the
 11 extent that RockItCoin breaches Paragraph 5 of this Stipulation;

12 7. Debtor's professionals agree to not seek compensation from Debtor's estate for the
 13 \$2,700.00 in costs and expenses associated with the filing of the Adversary Proceeding;

14 8. RockItCoin's Objection to the Sale Motion is withdrawn/resolved; and

15 9. Within three (3) business days of the entry of an Order approving this Stipulation, the
 16 Debtor shall dismiss the Adversary Proceeding with prejudice with each party to bear its own fees
 17 and costs.

18 Dated this 26th day of June 2023.

19 20 **FOX ROTHSCHILD LLP**

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